



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

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STATE SUPERINTENDENT

July 8, 2013

Senator Howard Walker  
Representative Bill Rogers  
Chairmen, Appropriations Subcommittees on K-12 Education

Dear Gentlemen:

At the June 2013 joint House-Senate subcommittee meeting on Deficit Districts, I shared with the committees that our team at the Michigan Department of Education is very thoughtful in dealing with local school districts in the resolution of their budget deficits. We have to have confidence that local school boards will solve their own financial deficits.

During our discussion at that subcommittee meeting, members were concerned about what could be done – especially for districts that are rapidly losing enrollment.

I told the subcommittee: “If it was my decision – I would change over to county-wide school districts.”

Such countywide school districts work in other states. In Florida, for example, the Miami-Dade County School District has 354,000 students at \$6,808 per pupil; the Broward County School District has 260,000 students at \$6,766 per pupil; and the Hillsborough County School District (Tampa) has 200,000 students at \$6,768 per pupil.

From my experience as both a local and intermediate school superintendent, I believe that it makes sense to realign in this configuration – providing administrative efficiencies and a better ability to utilize state funding; better absorb the enrollment fluctuations one local school district might be suffering; and providing a more equitable education for all students.

Yet, with so many forces that would be supporting and defending the status quo system, I offer that the more practical direction would be to start with a **hybrid system**.

This would be a mandatory transition to centralize administrative and academic functions at the county or regional level, such as:

- o Transportation systems
- o Curriculum development
- o Staff training and development
- o Educator Evaluation systems (not the evaluations themselves)
- o Education Technology
- o School Accounting Functions
- o School Food Service
- o Assessment Coordinating
- o Building-level data collection and reporting

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This could be done by amending the state School Code and state School Aid Act. Below are sections of state law that would be amended to transition appropriate functions and responsibilities from local school districts to intermediate school districts (ISD).

Realizing that such transitions may take time, legislation could be written to allow up to five years for this full transition (some would not need to take five years, though). An intermediate school district would be required to take on these functions and responsibilities, and if not, the ISD would need to merge with another ISD that could.

For ISDs to accommodate this financially, local school districts would be required to purchase the transitioned services from the ISDs at-cost.

There would not be a need to amend Proposal A, or the State Constitution, to transition these functions to the county or regional level.

There still would be local school districts, with school boards and local administrators, however, with this hybrid system of countywide functions, local districts would be able to focus primarily on getting their students to higher levels of achievement and on educator evaluations. The school building is the center of the community. It is my belief that the only way to save local school buildings is to make the districts that serve them more efficient to save money, and more effective to increase student achievement.

With these economies of scale, I am confident that it would save millions of dollars minimally, and I would want to ensure that all cost savings would go back to the classroom.

The intermediate school districts have told me, and members of the legislature, that they want to be more active in the administration and academic functions of local school districts.... to "help" their local districts. This is a prime opportunity for them to step up.

I realize that other work groups are meeting to discuss and evaluate the broader issues of education funding and financial well-being. What I offer here is just one slice of that bigger picture.

Intermediate school districts have been in existence in Michigan for 50 years. We don't want to go another 50 years before ISDs get the responsibilities they should have had 50 years ago.

Michigan Department of Education stands ready to work with you over the remainder of the summer on the needed legislation to develop this hybrid system and ensure adequate and efficient services not only to the students and communities, but also to the individual school districts themselves.

Respectfully,



Mike Flanagan  
State Superintendent

## **Transitioning from Local Districts to the County or ISD School Aid and Revised School Code**

Below is a preliminary, and not necessarily all inclusive, summary of sections of the Revised School Code and State Aid Act that should be amended to allow for the transition of local administrative and academic functions and responsibilities from the local district level to the county or regional level:

### Revised School Code:

380.3 - "Board" or "school board" means the governing body of a local school district unless clearly otherwise stated.

380.4 - "Intermediate school board" means the board of an intermediate school district.

"Intermediate school district" means a corporate body established under part 7.

"Intermediate superintendent" means the superintendent of an intermediate school district.

380.6 - "School district" or "local school district" means a general powers school district organized under this act, regardless of previous classification, or a school district of the first class.

### State School Aid Act:

388.1603 - "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c, and 166b, district also includes the education achievement system.

## **Transportation Systems**

### Revised School Code:

380.1321 Transportation for pupils; requirements; payment

380.1323 Transportation of nonpublic school pupils

380.1324 Transportation for pupils; contracts; price.

380.1332 Transportation for pupils; non-mandatory and non-credit events

380.1333 Transportation of senior citizens, retired or disabled persons, nonprofits

380.1406 Expense of transportation

380.1411 Transportation – border states.

380.1415 Use of general funds for transportation

380.1416 Crediting school taxes on tuition and transportation

380.1604 Contract with district maintaining community college

380.1756 Transportation

### State School Aid:

388.1618 388.1618 determining reasonableness of expenditures

388.1621b Tuition and fee support for pupil attending postsecondary institution

388.1622d Consolidation of districts would have to be redefined for additional funding.

388.1622f Incentive payments to districts meeting best practices

388.1651c Durant - reimbursement to districts.

388.1653a Special education programs and services, cost of transportation

388.1676 Funding for transporting nonpublic school students

- 388.1705 Counting nonresident pupils in membership
- 388.1705c Enrollment by nonresident residing in a contiguous intermediate district

Note: ISDs are already able to contract to provide transportation for LEAs.

380.627(4)(e) - Allows an ISD to offer and provide services such as transportation (and payroll, data processing, class scheduling, and distance learning) to LEA constituent districts. The ISD may charge fees and contract with third parties to provide the services to LEAs.

380.1325 – An LEA, ISD, or consortium consisting of any combination of local or intermediate districts may contract with the board of another district to provide transportation for students.

### **Curriculum Programming**

Revised School Code:

- 380.627 Cooperative programs for information technology systems
- 380.1157b High school credit in foreign language
- 380.1165 Financial education programs
- 380.1204a Annual educational report
- 380.1278 Core academic curriculum
- 380.1279e High school credit in foreign language
- 380.1279g MME
- 380.1280 Accreditation

### **School Staff Training and Development**

Revised School Code:

- 380.1531b Student teaching; teacher preparation program
- 380.1171 PD - Suicide prevention and awareness
- 380.1527 Teacher professional development; number of days.

State School Aid Act:

- 388.1632d Great start readiness programs.
- 388.1695 Professional development for principals and assistant principals.
- 388.1701 State Aid eligibility – online PD and integrating technology in the classroom.
- 388.1707 Adult education programs

### **Education Technology**

Revised School Code:

- 380.627 Cooperative programs for technology systems between ISDs and LEAs
- 380.1277 School Improvement Plans – delivery of technology
- 380.1278a High school diploma – the district will provide basic level of technology.

State School Aid Act:

- 388.1622i Technology infrastructure grants to districts or intermediate districts
- 388.1701 State Aid eligibility – online PD and integrating technology in the classroom.

## **School Accounting Functions**

Revised School Code:

380.1211 Mills levied for school operating purposes

State School Aid Act:

388.1620 Foundation allowance

388.1622a Allocation payments to districts

388.1626c Promise zone fund

388.1631a Funding to eligible districts

388.1701 Eligibility to receive state aid

388.1622j Incentive payments for student performance

## **School Food Service**

Revised School Code:

380.1272 Meal program for pupils

380.1272a Lunch program; breakfast program

380.1272b Nutritional standards

380.1285a Child care center - this might be OK as it says district or ISD

State School Aid Act:

388.1622f Incentive payments to districts meeting best practices – bids for food service

388.1631d Reimbursement to districts providing school lunch programs

388.1631f Breakfast program costs; reimbursement payments

388.1631a Funding to eligible districts – criteria for free and reduced meals

## **Assessment Coordinators**

Revised School Code:

380.1204a Annual educational report

380.1279 State assessments to high school students

380.1279g Michigan merit examination

380.1282 Grades, schools, and departments

380.1277 School improvement plan

380.1279 State assessments to high school pupils

380.1279a Report of irregularities

380.1279d Report of irregularities

380.1279g Michigan merit examination

State School Aid Act:

388.1622b Allocations – administer assessments

388.1622f Incentive payments to districts meeting best practices

388.1632g Kindergarten entry status

## **Educator Evaluation Systems** (just the “system” – not the actual evaluations)

Revised School Code:

380.1249 Performance evaluation system

380.1250 Compensation including job performance and fair evaluation

## **Information and Data Collection and Reporting**

MCL 388.1622f	Service Consolidation Plan Agreement Forms
MCL 388.1622f	Service Consolidation Update
MCL 388.1622f	Best Practice Resolutions
MCL 388.1701	Planned Days and Clock Hours Report
MCL 388.1702	Deficit Elimination Plan
MCL 388.1702	Deficit Monthly Budgetary Control Reports
34 CFR 75.360	Indirect Cost Adjustment Form
MCL 388.1618(2)	School District Board Adopted Budget
MCL 141.434	
MCL 388.1618(2,3)	Budget Transparency Icon and Related Information
MCL 388.1701(7d)	Travel Waiver Requests
MCL 388.1701(9)	Days and Clock Hours Waivers
MCL 380.1284(b)4	Start before Labor Day Waiver
MCL 380.1284a	Common Calendar Waivers
MCL 380.1281	Seat Time Waivers
MCL 388.1651	Special Education Cost Report
20 U.S.C. 1416(a)(3)(B)	Compliance Checklist for Secondary Transition
Districts Wishing to Draw Grant Funds	Cash Draws
Districts Wishing to Apply for Grant Funds	Grant Applications
Districts Wishing to Keep Grant Funding	Grant Final Expenditure Reports
EDGAR CFR 76.702	Grant Award Notifications - Financial Expenditure Report
Section 1512 of the American Recovery and Reinvestment Act of 2009 (Recovery Act)	ARRA Section 1512 Report
Public Law 108-447	Constitution Day Certification

MCL 380.1288	Eye Protective Devices Certification
Elementary and Secondary School Act (ESEA) of 1965	Constitutionally Protected Prayer Certification
7 CFR 245	Verification Summary Report - FNS-742
7 CFR 210	School Meals Application
7CFR 245.6 (b)(3)	Direct Certification
7 CFR 210 and 245	School Meals Program Claim Form
7 CFR 210 and 245	Fresh Fruit and Vegetable Grant Application
7 CFR 210 and 245	Fresh Fruit and Vegetable Claim
7 CFR 210 and 245	FFVP Sponsor Self Monitoring Form
7 CFR 210.18	Post Award Civil Rights Compliance Review Form
7 CFR 210.18	Food Service Management Company/Vendor Form
7 CFR 210.18	Food Safety and Sanitation Form
7 CFR 210.18	Procurement Form
7 CFR 210.18	USDA Foods Form
7 CFR 210.18	Wellness Policy Form
7 CFR 210.14 (e)	Paid Lunch Equity
CFDA #84.184Y	Safe and Supportive Schools Mid-Year Report
CFDA #84.184Y	Safe and Supportive Schools Final Report
7 CFR 250	Child Nutrition Program - School Nutrition Program Application
National School Lunch Program Regulations, 7 CFR 210.8, School Breakfast Program Regs 7 CFR 220.11	School Meals Program Claim for Reimbursement
Summer Food Service Program Regs, 7 CFR 225.9	Summer Food Service Program Claim for Reimbursement
Child and Adult Care Food Program Regs, 7 CFR 226.10	Child And Adult Care Food Program Claim for Reimbursement
7CFR 250	Child and Adult Care Food Program
MCL 388.1618	At Risk Final Cost Report

P.L. 107-110	Annual Survey of Children in Local Institutions for Neglected or Delinquent (N&D) Children or in Correctional Institutions
Title I, Part A	Private School and Local Neglected Institution Participants – Title I, Part A Consolidated Performance Report
McKinney-Vento (Title X)	Year End McKinney-Vento Homeless Education Grant Report
McKinney-Vento (Title X)	District Self Assessment of Education for Homeless Children and Youth
Section 31a Title I, Part D	Section 31a Program Report Application and Formal Agreement
Title III - English Language Acquisition Program	District Self Assessment Checklist
Title I, Part C - Migrant Education Program	District Self Assessment Checklist
Title I, Part A	Title I School Selection (TISS)
ESEA	Consolidated Application
P.A. 25 & ESEA	Annual Education Report (AER)
Title I, Part A	Board Parent Involvement Policy
State School Aid Act	Section 31a Program Report
Title I, Part A	Title I Comparability
Title I, Part A	Title I School wide or Targeted Assistance Plan
Title I, Part A	District Improvement Plan (DIP)
MCL 388.1618	School District Financial Audits
MCL 388.1618	Pupil Membership Audits
MCL 388.1618	Financial Audit
MCL 388.1618	Pupil membership audit
MCL 388.1661a.(1)	4033 - Career & Technical Education Expenditures Report
MCL 388.1661a.(1); P.L. 109-270 (20 USC 2301)	4301 - Enrollment Counts (Unduplicated)

MCL 388.1661a.(1); P.L. 109-270 (20 USC 2301)	4483 - Program/Course-Section Data Verification & Enrollment Report (Duplicated)
MCL 388.1661a.(1)	X0112 - CEPD Funding Options Report
MCL 388.1661a.(1); P.L. 109-270 (20 USC 2301)	Follow Up Report
MCL 388.1661a.(1); 380.1246 Revised School Code	Application for Career and Technical Education Administrator
MCL 388.1661a; R 395.231-R 395.376	CTE Building Transfer
P.L. 109-270 (20 USC 2301)	Regional Improvement Plan
P.L. 109-270 (20 USC 2301)	Perkins Grant Application
MCL 388.1661a; R 395.231-R 395.376	New Program Application
P.A. 56 of 1976	ACT 56 Renewals or Applications
MCL 388.1661a; R 395.231-R 395.376	New and Emerging Program Application
Title IV, Part B	21st Century Community Learning Centers (21st CCLC) - EZReports Monthly Attendance Report
Annual – As Required	Great Start Readiness Program (GSRP) - Carryover Budget Final Expenditure Report
IDEA	Early Childhood Special Education (ECSE) - Interim Final Expenditure Report (IFER)
Title IV, Part B	21st CCLC - Final Expenditure Reports
Title IV, Part B	21st CCLC - Youth Program Self-Assessment Scores
Title IV, Part B	21st CCLC - Program Improvement Plan
20 U.S.C. 1416(a)(11), 34 CFR 300.149, 20 U.S.C. 1411(e)(1)	ECSE - Grant Application
Title IV, Part B	21st CCLC - Student, Parent, and Teacher Surveys
Title IV, Part B	21st CCLC - Student Outcome Data
20 U.S.C. 1416 (a)(3)(A))	ECSE Assessment
Title IV, Part B	21st CCLC - Staff and Supervisor Surveys

Title IV, Part B	21st CCLC Continuation Application
Title IV, Part B	21st CCLC - Annual Reporting Form (ARF)
IDEA	ECSE - Final Expenditure Report (FER)
(20 U.S.C. 1416(a)(3)(B))	ECSE - Early Childhood Transition Data
MCL 388.1618	Financial Information Database
MCL 388.1701	Single Record Student Data
CEPI	Registry of Employed Personnel
CEPI	School Infrastructure Database
All Districts – As Required	Educational Entity Master
MCL 388.1701	Actual Days and Clock Hours Report
MCL 388.1701(10), 380.1526 and 380.1527	Professional Development Hours
MCL 388.1658	Special Education Transportation Report
(20 U.S.C. 1416(a)(3)(A))	ECSE - Early Childhood Educational Environments